

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 7/24/2012	(3) CONTACT/PHONE Terry Wahler, Senior Planner / 805-781-5621	
(4) SUBJECT County-initiated Notice of Nonrenewal of Land Conservation Contract for the Charles and Audrey Murray Living Trust property (AGP2009-00020) - Supervisorial District No. 5.			
(5) RECOMMENDED ACTION The Agricultural Preserve Review Committee recommends to the Board of Supervisors approval of this request to serve the property owner with a county-initiated notice of non-renewal.			
(6) FUNDING SOURCE(S) Department Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent    { } Presentation <b>{X}</b> Hearing (Time Est. <u>30 minutes</u> )    { } Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS { } Resolutions    { } Contracts    { } Ordinances    { } N/A <b>{X}</b> Other (Notice)			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5th's Vote Required <b>{X}</b> N/A	
(14) LOCATION MAP  Attached	(15) BUSINESS IMPACT STATEMENT?  No	(16) AGENDA ITEM HISTORY  <b>{X}</b> N/A    Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW  Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) District 5			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Terry Wahler, Senior Planner

VIA: Ellen Carroll, Environmental Coordinator

DATE: 7/24/2012

SUBJECT: County-initiated Notice of Nonrenewal of Land Conservation Contract for the Charles and Audrey Murray Living Trust property (AGP2009-00020) - Supervisorial District No. 5.

## **RECOMMENDATION**

The Agricultural Preserve Review Committee recommends to the Board of Supervisors approval of this request to serve the property owner with a county-initiated notice of non-renewal.

## **DISCUSSION**

### **Introduction**

The 1.1 acre parcel owned by the Charles and Audrey Murray Living Trust, is located on the southern side of Calf Canyon Highway approximately 14 miles east of the community of Santa Margarita. The property is a remnant of an approximately 460 acre ranch that was placed under contract by the Murray family in 1972. The property is currently used solely as a rural homesite and although substandard as to parcel size for the Agriculture land use category, it is a legal parcel. It is also too small to support commercial agriculture and is not in compliance with the provisions of the land conservation contract.

### **Background**

Shandon Agricultural Preserve Number 1 was established on the subject property on 7/19/71 by Resolution No. 71-319. The original contract was entered into on 2/7/72 approved by Resolution No. 72-81. An amendment to add land was approved by Resolution 90-139 on 2/28/90. The contract has a 640 acre minimum parcel size provision for creation of new parcels. This older contract, which predates the current standard form contracts, does not have the provision that prohibits the sale of existing parcels within the contract that are smaller than the minimum parcel size requirement. However, this contract does require that the property owner maintain "an agricultural or compatible use" on the property.

The parcels included in the contract are now under three separate ownerships, two parcels are owned by C-Four SM Partners, LLC; two parcels are owned by the Woods Revocable Trust dated 04/08/09 and the subject parcel is still owned by the Charles and Audrey Murray Living Trust.

The C-Four SM Partners, LLC properties total 252.5 acres and are used for grazing. The Woods Revocable Trust properties total 206 acres, have two mobile homes and are also used for grazing. The C-Four SM Partners, LLC properties were conveyed by the Murray family on 3/7/2003 and the Woods Revocable Trust properties were conveyed by the Murray family on 6/10/2009.

These two properties are compliant with the land conservation contract because the older form contracts do not prohibit conveyance of existing parcels. Also, both are larger than the 100 acre minimum eligibility requirement effective at the time of their conveyance, and are currently used for grazing and dry farming.

The surrounding properties are used mostly for rangeland, however there are some vineyards in the area.

### **Compliance with the agricultural Preserve Rules of Procedure**

The basis for the proposal to serve the notice of nonrenewal of land conservation contract on the owner is indicated in Section B.7.c(3)(a) of the Rules of Procedure as follows:

- (3) Mandatory Filing. The county shall serve notices of nonrenewal of land conservation contracts on property owners if the Board of Supervisors through a public hearing finds that the conditions under which they originally qualified for the agricultural preserve program have been substantially diminished as indicated by the following:
  - (a) Conveyance of an existing parcel or parcels to new landowners that are smaller than the minimum parcel size applied to the agricultural preserve in cases where the contract (for preserves established prior to 1972) does not specifically prohibit such conveyances.

Due to the conveyance of the major portion of the ranch to other landowners, the conditions under which the property originally qualified have been greatly diminished. The remaining 1.1 acre parcel from the original contracted ownership is not large enough to sustain commercial agricultural use. Therefore, a notice of nonrenewal of contract for this remainder parcel should be served on the owner.

### **Agricultural Preserve Review Committee**

Staff scheduled a meeting of the Agricultural Preserve Review Committee (APRC) for their review and recommendation on the proposed notice of nonrenewal. The property owner was notified of the APRC review and attended the meeting.

The following is an excerpt from the Minutes of the Regular Meeting of the Agricultural Preserve Review Committee held on February 22, 2010 at the Farm Bureau Meeting Room, San Luis Obispo, California, at 1:30 p.m.

*AGENDA ITEM #6 - AGP2009-00020 – Contract violation/ County initiated Notice of Nonrenewal for the Murray Land Conservation Contract.*

*Terry Wahler, staff: Presents staff report, describes violation with land conservation contract due to conveyance of other parcels. The subject parcel remaining in the original ownership violates the minimum parcel size in the contract and is too small to qualify.*

*Dick Nock: States 640 acres - should not have been conveyed.*

*Terry Wahler, staff: Explains old contract provision.*

*Charlie Murray: Comments he has no objection to parcel coming out of Williamson Act contract, however he would like to know about the process and the tax implications.*

*Warren Hoag: States there will probably not be a significant change in property tax.*

*Michael Garcia: Agrees, states he is not positive but probably little to no change in property tax.*

*Warren Hoag: States the Assessor can research the issue and explains Mr. Murray can object at the Board of Supervisors.*

*Hugh Pitts: Questions if the committee can suggest that the owner initiate the nonrenewal process.*

*Following the discussion, Lynda Auchinachie moved to recommend to the Board of Supervisors recordation of a county initiated notice of nonrenewal for the Murray Property. This motion was seconded by Jennifer Anderson, and unanimously carried on a 12-0 vote, with the Soil Science member being absent.*

### **OTHER AGENCY INVOLVEMENT/IMPACT**

This county initiated notice of non-renewal was previously reviewed by the Agricultural Preserve Review and recommended for approval. The Agricultural Preserve Review Committee includes representatives from the Agricultural Liaison Committee, the Assessor's Office, the Agriculture Department, the Department of Planning and Building and the Farm Advisor's office. County Counsel reviewed and approved the notice as to form and legal effect.

### **FINANCIAL CONSIDERATIONS**

Terminations of land conservation contracts usually result in increased property taxes for the affected properties and increased property tax revenues for the county. The Assessor's Office evaluated the property with respect to potential property tax impact. Because the parcel is so small and is predominately valued as a home site, little or no increase to the assessed value of the land is expected as a result of contract termination. Therefore little or no increase in property tax is anticipated due to land conservation contract termination.

### **RESULTS**

The termination of this contract will achieve compliance with the County's Rules of Procedure to implement the California Land Conservation Act of 1965.

### **ATTACHMENTS**

Attachment 1 - Map

Attachment 2 - Notice of Nonrenewal of Land Conservation Contract